

# Purchasing & Contracting



## Department Description

The Purchasing & Contracting Department is responsible for the City's centralized procurement and materials management functions to ensure the availability of materials, supplies, equipment, and services to meet the City's capital improvement program and operational needs. The Department manages the awarding of contracts for professional and general services that are necessary to support the City's operational and administrative functions. Multiple teams of procurement professionals carry on the daily operational contracting needs of the organization; maintain the warehousing of essential materials; support mail center operations; and administer internal service level agreements.

The Department's mission is:

*To assist City departments and customers in the centralized acquisition of supplies and services*

## Goals and Objectives

The following goals and objectives represent the action plan for the Department.

### ***Goal 1: Procure high quality products and services for the best value***

Providing quality products and services allows the Department to meet the various needs of its customers. The Department continues to move toward accomplishing this goal by focusing on the following objectives.

- Standardize Department operations
- Streamline procurement measures
- Implement strategic sourcing
- Improve vendor performance measurement

### ***Goal 2: Effectively manage contracts and related data***

Having well-managed contracts, agreements, and supporting documents aid in the effective operation of the Department and the City as a whole. This will result in more efficient and timely receipt of goods and professional services. The Department moves toward accomplishing this goal by focusing on the following objectives.

- Implement integrated technical solutions for comprehensive contract management
- Provide customers with increased outreach on bid opportunities
- Improve staff contract administration training
- Streamline internal customer complaint notification process

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## ***Goal 3: Provide excellent customer service***

Ensuring that our customers are provided excellent service is paramount to the organization. We must ensure that the Department is able to deliver accurate and timely customer service to enable City employees to perform their jobs more effectively. The Department moves toward accomplishing this goal by focusing on the following objectives.

- Improve guidance and resources available for internal and external customers
- Provide basic customer service training for Department staff
- Enhance departmental teamwork

## ***Goal 4: Pursue continuous workforce learning to ensure critical, high quality skill sets***

Developing and retaining a trained and skilled workforce is essential to the success of the Department. Ensuring that our employees are adequately trained, continue to pursue continuous education, and take advantage of development opportunities help create a high performing organization that operates more efficiently and effectively. The Department moves toward accomplishing this goal by focusing on the following objectives.

- Participate in professional organizations and regional contracting efforts
- Implement monthly internal professional development training
- Implement team rotations and cross training

## Service Efforts and Accomplishments

The Purchasing & Contracting Department received the Achievement of Excellence in Procurement Award from the National Purchasing Institute, an award that recognizes organizational excellence in procurement. The Department also received recognition at the 2006 San Diego Earth Awards as an Environmental Partner.

Expansion of the City-wide Procurement Card Program has been completed with the successful migration of a significant volume of essential purchases (\$6.8 million spent volume in Fiscal Year 2007) realized in a more efficient manner.

The Business Process Reengineering (BPR) study for contracts resulted in a newly formed Department of Purchasing & Contracting which consolidated all pre-award contract activities into one department. As a result of the BPR, the City's Central Stores consolidated its warehouse operations and realized a \$1.5 million cost savings in Fiscal Years 2006 and 2007.

The Department has standardized all City construction, professional services, consultant and commodity contracts, and bid documents. Purchasing & Contracting has developed a Request for Proposals team with templates and City-wide procedures for large consultant contracts. The Department has also presented more than fifteen educational sessions regarding Purchasing & Contracting operations to City employees and external customers.

Another significant effort was the implementation of the Living Wage Ordinance on July 1, 2006 for City service contracts. The Department is responsible for the continual monitoring of the City's contracts for compliance with the mandates of the Living Wage Ordinance, and responding to and resolving complaints from employees of contracted firms.

Purchasing & Contracting was able to expedite procurement and contract support during the Mount Soledad landslide and the fire emergencies, supporting rapid response and remediation activities.

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## Budget Dollars at Work: Performance Expectations

### Goal 1: Procure high quality products and services for the best value

Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1. Percent reduction in pre-award timelines	N/A	N/A <sup>1</sup>	10%
2. Average time from bid opening to construction contract award	N/A	98 days	90 days
3. Average time from proposal receipt to vendor selection/contract award	N/A	228	120 days
4. Number of sustained contract protests	0	0	0

### Goal 2: Effectively manage contracts and related data

Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1. Percent of contracts included in online document management system	N/A	67%	33%
2. Average length of time to complete investigations regarding violations of Living Wage Ordinance	N/A	108 days	90 days

### Goal 3: Provide excellent customer service

Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1. Percent of customer survey results above satisfactory	N/A	N/A <sup>2</sup>	90%
2. Percent of employees receiving customer services training	N/A	100%	100%
3. Average time to establish purchase order	N/A	7 days	7 days

### Goal 4: Pursue continuous workforce learning to ensure critical, high quality skill sets

Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1. Percent of eligible employees with professional certification	20%	57%	50%
2. Percent of eligible employees participating in professional organizations	N/A	70%	50%

## Budget Dollars at Work: Sizing and Workload Data

	Actual FY2005	Actual FY2006	Actual FY2007	Actual FY2008	Target FY2009
<b>Sizing Data</b>					
Procurement card spend volume	N/A	\$3.5M	\$6.9M	\$15M	\$11M
Number of attendees at "How to Do Business with the City" workshops	N/A	N/A	36	54	64
<b>Workload Data</b>					
Number of purchase orders generated	11,853	3,327	8,935	7,814	7,325
Value of purchase orders generated	\$521.0M	\$209.2M	\$439.8M	\$579.5M	\$403.2M
Number of procurement contracts	438	470	530	338	500
Value of procurement contracts	\$57.8M	\$60.2M	\$91.8M	\$75.9M	\$90.0M

<sup>1</sup> This information was not tracked in Fiscal Year 2008

<sup>2</sup> No customer survey was conducted in Fiscal Year 2008

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	Actual FY2005	Actual FY2006	Actual FY2007	Actual FY2008	Target FY2009
Number of construction contracts	88	61	70	71	100
Value of construction contracts	\$94.80M	\$39.80M	\$48.60M	\$210.00M	\$9.09M